

# GOVERNOR'S STATE CONTRACTING REFORM TASK FORCE

## PROCUREMENT WORK GROUP

### APPENDIX to August 16, 2004 Report

#### Appendix 1 contains:

1. Suggested Methods to Increase SBE/MBE Participation
2. Set Aside Bid Clauses

#### Suggested Methods to Increase SBE/MBE Participation

1. Utilize the Supplier Diversity website to check the number of certified vendors for the commodity or service needed
2. Perform a market and/or economic analysis
3. Consider structuring bids to utilize set-aside provisions such as 2<sup>nd</sup> tier, set-aside percentage or the Special Bid Provision for Set-Aside Bids rather than an "all or nothing" approach. See Set Aside Bid Clauses
4. Offer weighted values for certified SBE/MBE in RFPs
5. Include a member of the Supplier Diversity Team in Evaluation Committees, whenever possible
6. Require vendors to submit their Affirmative Action Plan prior to the award of a bid
7. Integrate a formal contract management procedure to ensure that 1) purchases are made from awarded SBE/MBE contractors 2) prime vendors meet their obligation to give business to SBE/MBE sub-contractors and intervene on their behalf if they fail to do so 3) agencies have a electronic mechanism in place to accurately capture purchases from SBE/MBEs for reporting purposes

#### Appendix 2 contains:

#### Screen shot of eProcurement web page for:

1. Bid Posting and Bidder Notification System
2. Contracts

#### University of Connecticut Submittal

# STATE OF CONNECTICUT

## Special Provision for Set-Aside Bids

Bid Number:

SBE-\_\_\_\_-\_\_\_\_-\_\_\_\_

This bid has been reserved for participation by Certified -DAS Set-Aside - small (SBE) and small minority (MBE) business enterprises. **However**, in our continuing effort to insure that state contracting is conducted in an inclusive, efficient and expeditious manner, bids will be accepted and reviewed from **all vendors**.

**If no** bids from DAS-certified set-aside vendors are received *or* **if no** set-aside vendor's bid is determined to be responsible, for all or some of the items, it is possible that an award may be split by item, between set-aside and non-set-aside bidders.

Your company may be eligible to become certified as a **Set-Aside** vendor if it meets the following criteria:

1. Doing business and has its principal place of business in Connecticut for at least one year
2. Gross revenues for the most recently completed fiscal year do not exceed \$10 million
3. 51% of the ownership is held by a person/s who exercises the operational authority over the daily affairs of the business and has the power to direct policies and management and receives the beneficial interests of the business.

For additional information on our State's Set-Aside Program contact the Business CONNections Unit at (860) 713-5236 or visit our web-site at [www.das.state.ct.us/busopp.htm](http://www.das.state.ct.us/busopp.htm) and click on the Set-Aside Program under the Supplier Diversity Program.

### Set-Aside Bidder Requirements

Bidders should provide a copy of the company's current certification certificate. Also, DAS-certified bidders must indicate their set-aside status by writing *SBE or MBE* in the lower left-hand corner of the envelope in which the bid is submitted. If DAS Procurement cannot identify the bid as a Connecticut Certified Small Business Enterprise (SBE) or (MBE) from the outside of the bidder's sealed envelope, then the bidder waives the right to be considered for an award under the small business set-aside designation.

### Non-Set-Aside Bidder Requirements

Bids from non-certified vendors will remain sealed unless it is determined that no set-aside vendor's bid was determined to be responsible. In the event that the non-set-aside bids are opened at a later date and the non-set-aside bidders would like to be notified of when they are opened, vendors must place their telephone number on the outside of their sealed envelope. Should a set-aside vendor win the award, non set-aside vendors may retrieve their sealed bids. Retrieval may occur only: (1) upon the agency's receipt of a letter of request on company stationery, signed by an officer of the company; and (2) if the bidder's name or other identification appears on the outside of the envelope.

### Contract Award Procedure/ Basis of Award

Bids will be accepted and reviewed from all vendors. **If no** bids from DAS-certified set-aside vendors are received *or* **if no** set-aside vendor's bid is determined to be responsible for all or some of the items, an award may be split by item, between set-aside and non-set-aside bidders.

## **SET-ASIDE CLAUSES:**

### **Full Set Aside:**

This contract has been reserved for participation by only Connecticut DAS - certified small (SBE), minority (MBE), and women-owned (WBE) businesses and for DAS -certified businesses owned by persons with a disability. Proposers are required to provide a copy of the company's current certification certificate. Bids received by other companies will be rejected.

### **2<sup>nd</sup> Tier Set Aside:**

Proposers are advised that the awarded contractor may utilize small (SBE), minority; women; and persons with disabilities (MBE), owned business enterprises in the formulation of the subsequent contract award. Proposers must include with their bid return their intent to utilize such contractors and to provide an established dollar volume of the proposal that will be conducted by small business enterprises. In order for businesses to be considered as small business enterprises, they must hold a current certification of eligibility issued by the Department of Administrative Services, Business CONNections, as a small, minority, women or disabled owned business.

Proposers who have questions about the small business program should contact the Department of Administrative Services at (860) 713-5236. Proposers who have questions about set-aside requirements of this contract should contact Meg Yetishefsky (DAS) at (860) 713-5236.

### **Partial Set Aside:**

It is ~~the~~ intention of the State to award ten percent (10%) of this contract to a Connecticut Small and or Minority Business Enterprises that are currently certified through Department of Administrative Services (DAS) Business CONNections department.

To become a certified small business, your company must meet the qualifications as determined by legislation, under Section 4a-60g of the Connecticut General Statutes (C.G.S.).

Suppliers who have questions about the small business program should contact the Department of Administrative Services, Business CONNections Unit, 165 Capitol Avenue, Hartford, CT 06106, Room G8A. Please direct any questions to , Director, at (860) 713-5236.

**Procurement**  
(860) 713-5095

**Exams/Jobs**  
(860) 713-5205

**Auctions**  
(860) 571-7445

**FAX US**  
eProcurement  
(860) 713-7484  
Business  
(860) 713-7478  
Fleet Services  
(860) 566-7674  
Exam Applications  
(860) 713-7470  
Human Resources  
(860) 713-7473

[Driving Directions](#)

DAS Announces "Buy Smart..Buy Together" Program | [Read More](#)

State's new 'Buy Smart' program finds big savings | [Read all about it!](#)

### » Contracts

Find contracts by:

Keyword

Vendor Name

Contract Number

Set-A-Side Contracts

New/Expiring

New Supplements

CTGovCenter Contracts

DAS contracts, both open and closed, may be accessed through a variety of search criteria. A single portal to post all state agency contracts supports consistency and open government contracting

[BIDS/RFP's Under Evaluation \(Not yet awarded\)](#)

### » eCommerce

eCommerce is now Core-CT!

[Supplier Kit](#)

[Find out more](#)

#### PO Terms & Conditions

[Vendor Profile Form](#)

#### VENDORS

[Set-Aside Program](#)  
[PO Terms & Conditions](#)  
[Agency Bid Sites](#)  
[Driving Directions](#)  
[Commodity Codes](#)

[Catalog Spreadsheet](#)

#### CONTACT PROCUREMENT

[Procurement Staff Directory](#)

165 Capitol Avenue  
Hartford, CT 06106  
(860) 713-5095  
(860) 713-7484 (fax)

[E-mail Procurement](#)

[Internet](#)

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## Show:

Agencies & municipalities post bid notices through the ***Bid Posting Service***. Bid opportunities from multiple organizations are easily located in one single portal and are automatically emailed to interested vendors through the Bidder Notification System

**DAS State Central Procurement Bid/RFP's Notices only**

**All Other Bid/RFP's Notices**

**State Agencies only**

Municipalities, Non-Profits and other non-state units only

**State Central Procurement Set-A-Side Bid/RFP's only**

Bids - Other State Agency Bid Sites

## » Bidder Notification System

Bid/RFP's Vendor Registration. Registering will place your name on a list to receive an e-mail alert when bids/RFP's for commodities you register for are listed.

## Register

Look up registered bidders

## Supplier Diversity (Set-Aside)

The State's Supplier Diversity program targets that at least 25% of the

**University of Connecticut  
Information Submitted to the  
Procurement Working Group of the Governor's Task Force on Contracting Reform  
August 16, 2004**

The University of Connecticut is fully committed to an open, fair and efficient procurement process. Existing statutes, regulations, policies and procedures are fundamentally sound; it is adherence to these requirements that ensures fair and efficient operations as well as rigorous protection against contracting irregularities. Over time, the University procurement process has evolved with, and as a complement to, the state's processes.

Our processes are clean, consistent and efficient and have withstood rigorous review. These processes also meet the specific needs of the University, which counts as key customers not only the vendor community, but -- even more critically -- students, patients receiving health care, and faculty researchers. All of these customers are important to Connecticut's economic health, and all can choose to go elsewhere because the University exists in a competitive marketplace. This is why Section 10a-151b of the Connecticut General Statutes provides for a statutory procurement framework specifically designed for the state's higher education institutions.

By statute, purchasing procedures at UConn are subject to approval by the Board of Trustees, as are the policies specifying contract approval and signatory authority. In short, even the establishment of policies and procedures at the University is done in an open and accessible forum. The fact is that the mixture of detailed University policies and procedures, Board oversight, state statutory requirements and additional contract review by other entities (OPM, Attorney General) sometimes combine to put the University at a competitive disadvantage (in, for example, the research grant arena) because our peers in higher education operate in a much less bureaucratic mode.

The good news, however, is that the state system also allows the University to take advantage of, and share, the most advantageous opportunities in two arenas: where a State contract set by DAS offers the superior deal, University customers use it; where the University can strike the better bargain, it is available both to UConn and to other State agencies as well.

Operating in the educational and healthcare spheres, UConn is eligible for industry specific discounts that would not otherwise be available. As an example, the UConn Health Center participates in a huge national cooperative called Novation, which is the University's Health System Consortium's purchasing organization that includes 200 hospitals and 2600 affiliates. This group's buying power achieves better pricing on drugs and supplies than is obtainable by other state agencies. (See also Legislative Program Review and Investigations report on pharmaceutical purchasing.) Another example: UConn's price on Dell computers is better than DAS's, with the result that other agencies also use the UConn contract. Moreover, as a member of the Connecticut Colleges

Purchasing Group, UConn's Dell contract extends to most other higher education institutions in the state. UConn's contract with Fisher Scientific for laboratory supplies is also the best: other state agencies use it. In fact, most of the large dollar volume contracts used by fellow members of Connecticut Colleges Purchasing Group are UConn contracts, a contribution to all Connecticut students, and higher education in general, that flows from the University's ability to operate procurements in parallel with centralized purchasing by DAS.

In construction, again, the statutes that enabled UConn to manage its own programs also charge its Board with special oversight responsibilities. Following Board-approved procedures, the University pre-qualifies general contractors and construction managers for each project individually. Only those applicants who exhibit financial strength adequate to both the particular job and other work in their portfolio; who demonstrate experience in successful completion of similar projects; who do not have records of substantive Department of Labor violations; who do not have records of criminal conduct; who are not excessively litigious; and who have adequate aggregate bonding capacity, are given permission to receive bid packages and to submit bids. Selection of successful bidders is based not solely on price, but also on the quality and experience of the bidder's team assigned to the project, and their ability to fit construction schedules to the University's needs. Project management itself, by remaining close to the end users and being part of University operations, has for ten years brought major projects in on time and on budget, without extensive change orders.

The delegation of authority and responsibility, adopted by the legislature in 1995, reaffirmed upon examination in 1999 and subsequently extended for an additional ten years as "21<sup>st</sup> Century UConn", works. In addition to Trustees' watchful eyes, the University submits semi-annual progress reports to the legislature. Just two years ago, an independent study by the Legislative Program Review and Investigations Committee reported that UConn's program was well-managed, in keeping with industry best practices, and had seen no significant problems. The program is regularly reviewed by the Auditors of Public Accounts. In addition to state auditor activities, the University on its own initiative engaged Blum Shapiro, the largest New England accounting firm specializing in construction, to provide annual audits. (Please note that the Health Center clinical operations are subject to independent audit as well as review by the State Auditors.) All audits are provided to the Board's Audit Committee and are, of course, open to the public.

#### **University Purchasing Policies and Procedures:**

What follows is a description of University procurement. We believe that these policies and procedures meet both the letter and the intent of the working group recommendations. All University personnel are required to follow policies and procedures; the Purchasing Department has a formal, established training program in place; and contractor/vendor performance is monitored. The University also has a formal process for handling bid protests. At present, Storrs-based and Health Center staff are

working to further standardize procedures and incorporate best practices from each site into University-wide processes. UConn has:

- Comprehensive, detailed University Purchasing Department Policies and Procedure Manual utilized by Purchasing Department staff.
- University Purchasing Department User Guide which provides instructions on the policies and procedures on how to submit requisitions and supporting documentation to facilitate a purchasing request.
- University Purchasing Department Vendor Guide which provides instructions to vendors/suppliers on how to do business with the University.
- University Purchasing Department Researchers Guide which addresses the specific procurement requirements supporting research activities incorporating Federal Acquisition Regulations (FAR). This is important because when the FAR differentiates from State regulations, the FAR takes precedence. This is mostly used in procurements for Federal grant and contracts.
- University website postings of all bid opportunities; all of the above manuals and guides are also available on the website ([www.purchasing.uconn.edu](http://www.purchasing.uconn.edu)).

*Process Steps for Competitive Solicitations:*

- Review purchase requisition, scope of work or salient specifications to determine if competition exists.
- If competition exists, one of two methods is taken:
  1. If salient specifications exist, create a Request for Quotation. In this instance, award is made on price only.
  2. If a scope of work is the primary factor, a Request for Proposal is created. This is a performance based solicitation.
    - a) Evaluation criteria are used to determine award, based on an objective evaluation by a selected Evaluation Committee. This Committee is comprised of end user individuals as well as interested third party faculty and/or staff.
    - b) The University's Purchasing Department facilitates the process to ensure compliance with procurement policy and procedure to ensure ethical and equitable award decisions.
    - c) Purchasing staff controls all communications during the competitive process to ensure unbiased award decisions. This process effectively conveys all relevant information to all bidders at the same time.
    - d) Purchasing staff do all reference checks and compute all pricing valuations which are shared with the Evaluation Committee after they have completed the technical assessment of the RFP.
    - e) The technical evaluation scores and reference information are combined with the financial evaluation to determine the successful awardee(s).



The steps above identified for competition are standard operating procedures in the Purchasing Department for competitive solicitations.

*Process Steps for Sole Sources:*

- The University's Purchasing Department determines whether competition for a product or service is not available after making the following assessment:
  1. What is unique about the product or service.
  2. What is unique about the only source identified.
  3. An exhaustive market survey to determine why a similar product will not meet the University's requirements.
  4. A price reasonability analysis is also conducted.
- The University has a standing Procurement Review Committee (PRC) which does a post review on all sole source purchases on a quarterly basis. The PRC members are senior management staff at the University.

*Review Procedures:*

- University procurement activities are currently reviewed by one or more of the following:
  1. Procurement Review Committee
  2. A succession of procurement staff based on delegated authority. As an example, a \$50,000 procurement initiated by the buyer, would also be reviewed by his/her Procurement Manager as well as the Associate Director or Director
  3. All purchase requisitions \$10,000 and over are reviewed and approved by the Vice President, Administration and Operations Services before processing
  4. State Auditors
  5. Independent Auditors

**Improvements to Small & Minority- and Women-Owned Business Enterprise Program:**

The University eagerly supports improvements in and the expansion of the small, minority-and women-owned business enterprise program. These vendors are actively considered for all procurement actions. Construction, maintenance, repair operations, office supplies and equipment have presented the largest opportunities for small and minority business. (Please note that clinical supplies and equipment sometimes represent

an unusual market condition, either because of specialized needs or because of the need to utilize the national buying cooperative. Certain research supplies and equipment are highly technical in nature; sometimes, specific supplies and equipment are required by research protocols. Nevertheless, every effort is made to reach out to special vendor communities.)

The University Purchasing Department has engaged in the following outreach activities in its quest to increase contract activity with small, minority- and women-owned businesses:

- Membership in the Connecticut Minority Supplier Development Council (CMSDC)
- Participation in CMSDC Annual Trade Expo
- Attendance at CMSDC Annual Award Banquet
- Placement of ads in official programs at CMSDC trade expo and annual banquet
- Participation in the Small Business Matchmaker Program at the annual Successful Women in Business Conference.
- Advertise all bid solicitations in the InterCity News, a minority owned newspaper.

The success of above activities has been reflected in the University's ability to achieve the goals established by statute. Those achievements are:

- Small business set aside 198% of goal for FY04
- Set aside minority business 325% of goal for FY04
- Good Faith (measuring non-certified minority business) 92% of goal for FY04

The University has long advocated expansion of the available pool of small, minority- and women-owned business enterprise contractors. In order for a contract to count toward set-aside goals, the vendor must be registered with DAS, and many vendors choose not to do so for a variety of reasons. The CMSDC has its own certification process, but many vendors certified with CMSDC are not registered with the state. A review of certification and registration procedures, with an eye toward expanding the pool, could be very beneficial.

Although the University regularly outperforms many other state agencies in meeting its set-aside goals for purchased goods and services, we have taken the opportunity presented by the continuation of UCONN 2000 to expand our outreach to the small, minority and female business community. Irrespective of the 25% set-aside requirement, we have implemented the following initiatives to increase the accessibility of UConn construction projects to minority businesses:

- Hired a full-time coordinator to maintain contacts with minority firms in the industry.
- Made available gratis to minority contractor associations in Hartford and New Haven full sets of design documents for each UCONN 2000 project as they come up in the queue.

- Conducted workshops in Hartford and New Haven to explain the UCONN 2000 program to those communities and instruct businesses in how to become involved.
- Used Phase II of the Student Union renovation project as a pilot program to disaggregate work components into smaller units on which small businesses can bid as subcontractors. The job Construction Manager has met with businesses in both Hartford and New Haven to encourage their participation, and to mentor them.
- Added sections to both pre-qualification and construction bid documents to give added weight to bidders who participate in recruitment/development and mentoring of minority subcontractors.
- Instituted monthly meetings among the University's Architectural and Engineering group, its Capital Projects office, its Vice President for Operations, and representatives from Hartford and New Haven to assess the effectiveness of University efforts and explore new opportunities for inclusiveness in contracting.
- Asked the UConn Small Business Development Center to develop a liaison and professional counseling program to be sited in Hartford and New Haven, in cooperation with local representatives.
- Begun a "mini-mac" for on-call contractors, which is limited to small businesses. Those participating in the program bid only against each other for small-to-medium sized jobs, ensuring they have equal access to grow their experience in working with the University.
- Pledged to continue and expand these and like efforts for the duration of the UConn building program.